



COUNCIL AGENDA: 12-4-07
ITEM: 9.1

Memorandum

TO: HONORABLE MAYOR, CITY
COUNCIL AND REDEVELOPMENT
AGENCY BOARD

FROM: Debra Figone
Harry S. Mavrogenes

SUBJECT: STATUS REPORT ON NORTH
SAN JOSE NEIGHBORHOODS
PLANNING TASK FORCE

DATE: November 20, 2007

Council District: 4
SNI: None

RECOMMENDATION

It is recommended that the City Council and Redevelopment Agency Board:

- (a) Accept this status report on the North San Jose Neighborhoods Planning Task Force.
- (b) Direct staff to proceed with the implementation of the Task Force Work Program.
- (c) Direct staff to report on the results of the Task Force Work Program to the City Council and Redevelopment Agency Board in February 2008.

OUTCOME

This action will allow the continued implementation of the North San Jose Neighborhoods Planning Task Force Work Program.

BACKGROUND

In July 2007, the North San José Neighborhoods Planning Task Force (Task Force) was formed to engage 25 members of the North San José (NSJ) residential and business communities in the preparation of an Implementation Strategy for the North San José Area Development Policy. In September 2007, the City Council approved the Task Force membership and a work program.

Since their initial meeting on July 25, 2007, the Task Force has met seven times and has explored a number of topics at length including: the North San Jose Area Development Policy, schools, parks, libraries, recreational facilities, urban design guidelines, retail, transportation, water supply, flooding, and the future of industrial and office development. In addition to the full Task Force meetings, three subcommittees have been formed to work in greater depth on parks, schools and urban design guidelines/retail. Concurrently, an interdepartmental City and Agency team has been meeting to support the work of the Task Force and provide feedback to projects in the entitlement process.

On September 25, 2007, the City Council directed staff to present a status report of the North San Jose Neighborhoods Planning Task Force work program in November 2007. This memorandum fulfills that directive and includes, as specified by Council direction, information on:

- 1) An inventory of government-owned lands in North San Jose and Alviso.
- 2) An inventory of total employment lands in North San Jose and Alviso.
- 3) A potential school site analysis, and an explanation of school financing mechanisms.
- 4) A report on school capacity, and process associated with re-districting if applicable.
- 5) An analysis of the need to retain a schools financing consultant.
- 6) An analysis of whether or not PDO/PIO funds could finance parks.
- 7) An analysis of sites available, if any, for a sports complex in the North San Jose area.
- 8) A report on:
 - a. Urban Design Guidelines,
 - b. Retail Plan,
 - c. Transportation Improvement Plan.
- 9) An analysis of our compliance with the North San Jose litigation Settlement Agreement.

A report on each of these items is found in the Analysis section below. This memorandum concludes with a preview of the remaining work of the Task Force.

ANALYSIS

- 1) An inventory of government-owned lands in North San Jose and Alviso;

Parcels in public ownership with some potential for future redevelopment are graphically depicted in the attached Appendix A. For the most part, these parcels are currently in use or planned for future public use. Any alternative plans for their redevelopment would require relocation of existing activities. These sites may present an opportunity for future public uses, such as a school or park, because public sites can be less complex to acquire than sites in private ownership. The most significant publicly-owned sites include the Water Pollution Control Plant (WPCP), the VTA maintenance facilities and the State's Agnews development center, both of which are located within the North San Jose area:

- ❑ The Water Pollution Control Plant site and buffer lands, located in Alviso and outside the North San Jose boundaries, are owned by the City of San Jose, and are the largest publicly held sites in Alviso and North San Jose. However, these sites provide only limited opportunity for development based upon the need to minimize potential exposure to the WPCP's operations. Uses of this site have typically been limited to agricultural or light industrial activities with minimal on-site populations.
- ❑ The VTA maintenance facilities - The VTA needs a large site to service its bus operations, however, it may be possible to consolidate their activities so that a portion of the site becomes available for other use. This site has also been identified as a potential opportunity for retail development given its proximity to Highway 237.

- The State's Agnews development center - The State has for some time indicated its intent to close the Agnews property and to dispose of the property at some point in the near future. Cisco Systems, which is located on an adjacent property, has a first right for acquisition if the property becomes available for private purchase. Prior to this however, other public agencies would have an opportunity to purchase all or a portion of the site.

Four smaller sites within the North San Jose residential overlay provide redevelopment opportunities: the VTA office campus (#4 in North San Jose), the City's Retirement Office site (#12 in North San Jose), and two County of Santa Clara office buildings (#13 and #14 in North San Jose). These sites may provide opportunities for private or public development such as parks or schools. City staff are currently exploring park use opportunities for the City-owned parcel (#11 in North San Jose) currently serving as a detention basin.

Within the Alviso area, the City owns two parcels (#2 and #6 in Alviso) that are currently occupied, in part, by a City library and a City Fire Department facility respectively. The open portions of both parcels are intended to be used for park development. The City may want to consider further expansion of a park site at these locations or possible expansion of the school uses on the adjacent Santa Clara Unified school property (#3 in Alviso). The State owns one significant size parcel (#4 in Alviso) that has limited access and may have limited redevelopment opportunity due to its proximity to the Guadalupe River. The redevelopment potential for other public properties in Alviso appears to be very limited due to the small size of the parcels and likely ecological sensitivity.

2) An inventory of total employment lands in North San Jose and Alviso;

As depicted on the attached maps (Appendix B), both Alviso and North San Jose contain significant amounts of employment lands, primarily industrial in nature. The majority of North San Jose (approximately 1,821 acres) is planned for and developed with Industrial Park uses. The North San Jose Development Area Policy allows for the significant intensification of industrial and employment uses on these lands, including an additional 27 million square feet of office and industrial use and 1.7 million square feet of retail. Employment lands within Alviso, by acreage, are almost equally divided between Industrial Park, Combined/Industrial Commercial and Light Industrial designations.

Given the significant increase of intensity of development, the adopted Policy also allows for the conversion of up to 285 acres of existing employment land to high-density residential use. Approximately 360 acres of land have a Transit Employment Residential Overlay designation, allowing flexibility for the conversion of the 285 acres to occur on sites, where most appropriate, within the Residential Overlay and for the continued use of sites within the Residential Overlay as employment lands. Most of the Residential Overlay sites have the Industrial Park designation, but it is also worth noting that a majority of the Light Industrial lands and a significant portion of the Combined Industrial/Commercial lands within North San Jose also have the Residential Overlay designation.

The attached map excludes lands within the Overlay where the City has approved a rezoning to non-employment use or established a park site (approximately 88 acres in total) as part of the implementation of the North San Jose Policy. Overlay areas not yet rezoned for non-employment use are still depicted as employment lands. Based on the North San Jose Policy, approximately 200 additional acres of employment land can be converted to residential use at some point in the future.

A significant portion of the Industrial Park and Combined Industrial/Commercial lands within Alviso are undeveloped or underdeveloped and provide for significant future job growth and commercial or retail development opportunities. The Combined Industrial/Commercial lands in particular provide significant flexibility for a variety of commercial or industrial activities. Approximately half of the Light Industrial area within Alviso is currently developed with a PG&E electricity generation plant, while the remaining piece, adjacent to Coyote Creek, is undeveloped. The proximity of the Light Industrial to the WPCP will limit the intensity of its development.

3) A potential school site analysis, and an explanation of school financing mechanisms;

The City and Redevelopment Agency are working collaboratively with all four school districts that serve North San Jose: Santa Clara Unified School District, Orchard School District, San Jose Unified District, and East Side Union High School District, which serves as the High School District for Orchard. The working relationship is positive and productive and staff is conducting a weekly Schools Working Group meeting to work on site selections, develop alternatives for financing school construction and explore the question of school capacity and needs.

In regards to potential school sites, the Schools Working Group has:

Identified seven possible sites for new elementary/middle schools in North San Jose including:

- i. VTA site
- ii. Moitozo
- iii. Agnews (at least two potential locations)
- iv. Former Cadence
- v. Baypointe
- vi. Vista Montana

Developed a set of ten evaluation criteria derived from the Task Force guiding principles for schools and the School Districts' input:

- i. Cost/Affordability
- ii. Availability/Ease of acquisition
- iii. Opportunity for multi-purpose facility/joint use
- iv. Urban School potential
- v. Considers existing and new residents
- vi. Flexible in design to meet changing needs

- vii. Adjacent to, and central place in, neighborhoods
- viii. Meets State Requirements (including environmental)
- ix. Educational Objectives
- x. Bus Circulation

Each of the seven sites listed in "a" above is currently being evaluated against these criteria. The initial goal is to identify top priority sites for two future schools.

In regards to school financing mechanisms, the Schools Working Group is exploring the range of possible financing mechanisms including:

- i. Development Fees
- ii. School District(s) bonds
- iii. Mello-Roos Schools Financing District
- iv. State of California Construction Funds
- v. Joint use of parks and libraries
- vi. City or Agency funding

A number of conceptual scenarios for financing the construction of new schools are being analyzed to determine most viable options.

In addition to the Schools Working Group a subcommittee of the Task Force has met with staff and school district representatives to discuss the following issues:

- ☐ Existing School Capacities
- ☐ School Site Rankings
- ☐ Timing for School Site Development
- ☐ Prototype for more intensely developed urban schools
- ☐ How schools might be integrated with community centers, libraries, retail and other community amenities

- 4) A report on school capacity, and process associated with re-districting if applicable;
 - a. Based on the most recent forecast of future development staff is preparing a School Generation Rate analysis which will provide information on future demand.
 - b. Staff of the City and School Districts are developing a conceptual agreement on taking a phased approach to validating school generation rates; that is using the four phases as check in points to see what actual student generation is/has been and adjust the strategy accordingly.
 - c. Each of the four School Districts has developed an initial assessment of existing capacity in the North San Jose area.
 - d. Several alternative scenarios for changes in district boundaries have been identified, each of these scenarios will be assessed for strengths and weaknesses. If redistricting emerges as a desired alternative the appropriate processes for redistricting will be outlined and analyzed.

5) An analysis of the need to retain a schools financing consultant;

There is a definite need to retain consultant support on the issues of schools and schools financing. Staff is currently working to bring appropriate consultants under contract. A November retreat to be facilitated by a consultant is scheduled with City, Redevelopment Agency and School Districts to refine site selection and explore financing options.

6) An analysis of whether or not PDO/PIO funds could finance parks;

The Park Dedication Ordinance/Park Impact Ordinance is the primary means of financing the acquisition and development of new parks and recreation facilities in North San Jose. The PDO/PIO Program require new housing development to either dedicate land for public parks, develop a turnkey park, pay a fee in-lieu of dedication, or a combination of the above.

The City estimates that future housing development in North San Jose will directly provide approximately 27.7 acres of new neighborhood turnkey parklands and 5 acres of community turnkey parklands.

With the in-lieu fees provided by future housing developments, the City should be able to acquire an additional 36.8 acres of parklands for community facilities such as a community center, an aquatic center, sport fields, and the urban plaza.

Taken together, the direct dedication of land, turnkey parks, conversion of existing City land and land acquired with in-lieu fees would provide 75 acres of recreational parklands in North San Jose. Therefore, the City's analysis concludes that the PDO/PIO program could provide and develop the necessary amount of land for parks if funding can be made available in a timely manner. However, the PDO/PIO Program in North San Jose is unlikely to fully fund the capital build out of recreational facilities, such as a community center, gym and/or aquatic center and should they be desired, would need separate funding.

7) An analysis of sites available, if any, for a sports complex in the North San Jose area;

City staff, in collaboration with the North San Jose Task Force, is developing a Parks Master Plan for North San Jose. In addition to the sports fields to be provided in neighborhood parks, the plan contemplates either the development of one sports complex with a total of eight soccer and softball fields or the development of two smaller sports field sites with four fields on each site. The development of a single, eight field sports complex would require the acquisition of a 25-30 acre site in North San Jose. Staff has not identified a viable site for this use, a single site exclusively for sport field use would be very difficult and expensive to acquire. The development of smaller sports fields on more than one site present more viable options.

A number of the new and potential neighborhood parks are adequately sized to provide new sports fields:

- ❑ The Vista Montana Community Park Site will provide two soccer fields.
- ❑ The proposed Baypointe Neighborhood Park Site could provide a soccer field.
- ❑ The Department of Transportation's property in the Montague Housing Opportunity Site could have a dual use as a softball field.
- ❑ The housing developer in the Montague Area is also proposing to include soccer fields as part of its turnkey park development.
- ❑ Several other vacant properties or potential parks could provide field space for up to four more fields.

All together these neighborhood park sites could provide as many as nine new sports fields for the use of North San Jose residents.

- 8) An update on Urban Design Guidelines, Retail Plan, and Transportation Improvement Plan;
 - a. Urban Design Guidelines - The firm of Field Paoli has been retained by the Redevelopment Agency to complete the development of Urban Design Guidelines for North San Jose. The Task Force has been provided with an introductory session outlining the basic approach of the guidelines. The Task Force will be provided with two more opportunities to work on the development of guiding principles and provide feedback. A draft of these guidelines will be complete by the end of the Task Force process.
 - b. Retail Plan - The Redevelopment Agency and the Office of Economic Development, with the consultant support of The Buxton Company and Pat Hurst of Economic Development Systems, are developing a recommended retail strategy for North San Jose for review and comment by the Task Force. This strategy will identify retail sites, market segments, and types of retail appropriate for North San Jose. The Task Force has conducted an initial meeting on Retail and convened a sub-committee to explore Retail together with Urban Design Guidelines. When the analytical work of the consultants is complete staff will return to the Task Force to provide them an update on retail and develop a set of guiding principles.

Vision North San Jose is a 30-year plan that will be driven by market demand. Therefore the retail recommendations are expected to address: tracking market demand so opportunity for strong retail can be realized, facilitating development that best serves the residents and the employee needs as North San Jose develops, criteria for locating and designing retail space that has the best opportunity for success and whether certain types of retail should be in a stand alone retail center or part of a mixed use project.

There are several projects currently either approved or under review that, when built, will generate approximately 488,000 square feet of retail.

In addition to recommending retail sites, the recommendations and guiding principles will include criteria for sites that are not yet identified, and estimates of the building area and form that retail could potentially take between now and 2030. In conjunction with Planning Division staff, the team will address the existing zoning and policy guidelines regarding retail in North San Jose and develop best implementation practices for achieving strong retail projects and stores.

- c. Transportation Improvement Plan –The Task Force was presented with an update on the work of developing the Transportation Improvement Plan and developed a draft set of guiding principles for transportation. Ongoing work on the Transportation Improvement Plan includes planning local transportation infrastructure, facilitating regional transportation projects, and designing transportation improvements and roadway design concepts as part of development projects. Specific activities underway include the following:
- ☐ Conceptual design of the new grid system in the core,
 - ☐ Preliminary design of the Zanker Road widening,
 - ☐ Preliminary design for First Street, and
 - ☐ Pedestrian and bicycle plan with implementation priorities.

Key regional project activities underway include

- ☐ Development of the Route 101/Trimble Road Interchange modification,
- ☐ I-880/Charcot Avenue Overcrossing, and
- ☐ Three Highway 101 interchange improvements at:
 - Mabury Road,
 - Oakland Road, and
 - Fourth/Zanker Road.

With private development projects, smaller street blocks are being designed to support improved circulation and accessibility for pedestrians, bicyclists, and transit users.

- 9) An analysis of our compliance with the North San Jose litigation Settlement Agreement.

This analysis of the North San Jose litigation Settlement Agreement compliance covers: City transportation improvement obligations, county transportation improvement obligations, City obligations regarding Santa Clara Unified School District, and Negotiation with Milpitas for lease of San Jose's wastewater discharge capacity.

A. City Transportation Improvement Obligations:

1. *Expand scope of Montague Expressway improvements to include from Lick Mill (in Santa Clara) to Trade Zone (in Milpitas) and complete project in Phase 1.* This is the City's intended work limits for Montague Expressway improvements. The implementation schedule will be based upon the timing of funding from North San Jose traffic impact fees. The Traffic Capital Improvement Program adopted by the City Council in June 2007 identifies North San Jose funding investments on Montague Expressway as the top priority.
2. *Provide Montague Expressway improvements at I-880, Trimble Road (flyover ramp), and McCarthy/O'Toole.* These improvements are commitments specified in the North San Jose EIR adopted in June 2005 and will be implemented in accordance with the adopted Phasing Plan.
3. *Pay \$11 million to County by June 2010 for Montague Expressway improvements near I-680 in Milpitas.* This funding commitment is addressed in the Redevelopment Agency's Capital Improvement Program adopted in September 2007.
4. *Advocate to VTA for regional funding to implement improvements on Montague Expressway (from Mission College to US 101) and on San Tomas Expressway (from El Camino Real to Moorpark).* Follow up on this action will be incorporated into the process for updating the VTA's 30-year regional transportation plan known as Valley Transportation Plan 2035 (VTP 2035). This process will occur in 2008.

B. County Transportation Improvement Obligations

1. *Montague Expressway improvements near I-680 in Milpitas.* County will construct the improvements using City money.
2. *Advocate to VTA for regional funding to implement improvements on Montague Expressway (from Mission College to US 101) and on San Tomas Expressway (from El Camino Real to Moorpark).* Follow up on this action will be incorporated into the process for updating the VTA's 30-year regional transportation plan known as Valley Transportation Plan 2035 (VTP 2035). This process will occur in 2008.
3. *Preparation of a Project Study Report for Montague/Mission/101 Project.* This PSR was to have been prepared and submitted by the County to CalTrans no later than 12 months after the effective date of the Settlement Agreement. In Progress, County staff is scheduled to submit the PSR to CalTrans by spring 2008

4. *Design of Montague/Mission/101 Project.* County is required to fund design of the project before June 30, 2010 and complete design by June 30 2014.

C. City Obligations regarding Santa Clara Unified School District.

1. *\$25,000 payment to Santa Clara Unified to hire a consultant to prepare a Pupil Generation Report.* Completed.
2. *Joint creation of a School Facility Plan to provide for designation of potential school sites.* In progress (See above status report on Schools).
3. *City preparation of an analysis of construction costs and operational impacts to the School District.* In progress (see above status report on Schools).

D. *Negotiate with Milpitas for lease of San Jose's wastewater discharge capacity (up to 1 million MGD).*

Negotiations have been held. Milpitas needs to determine how to analyze the proposed transaction under CEQA.-

The Task Force and subcommittees are scheduled to continue meeting until the end of January 2008. In the second half of its work program the Task Force will focus on developing alternatives and options for the Implementation Strategy and crafting a set of preferred recommendations for the City Council's consideration in February 2008.

EVALUATION AND FOLLOW-UP

The final work product of the North San Jose Neighborhoods Planning Task Force will be presented to the City Council and Redevelopment Agency Board for their consideration in February 2008. That work product will include recommended next steps relating to Schools, Parks, Retail, Urban Design Guidelines and other key issues related to the Task Force Work Program. These recommendations will be evaluated as staff prepares the North San Jose Implementation Strategy.

PUBLIC OUTREACH/INTEREST

This item is considered of Significant Public Interest because of the significance of the work of the North San Jose Neighborhoods Planning Task Force and the potential implications of its eventual recommendations. This memorandum has been noticed via email to all those who have signed in at Task Force meetings, posting to the Task Force website, and announced at a Task Force meeting.




Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater.

- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- ✓ **Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

CEQA

Not a project.



DEBRA FIGONE
City Manager



HARRY S. MAVROGENES
Executive Director

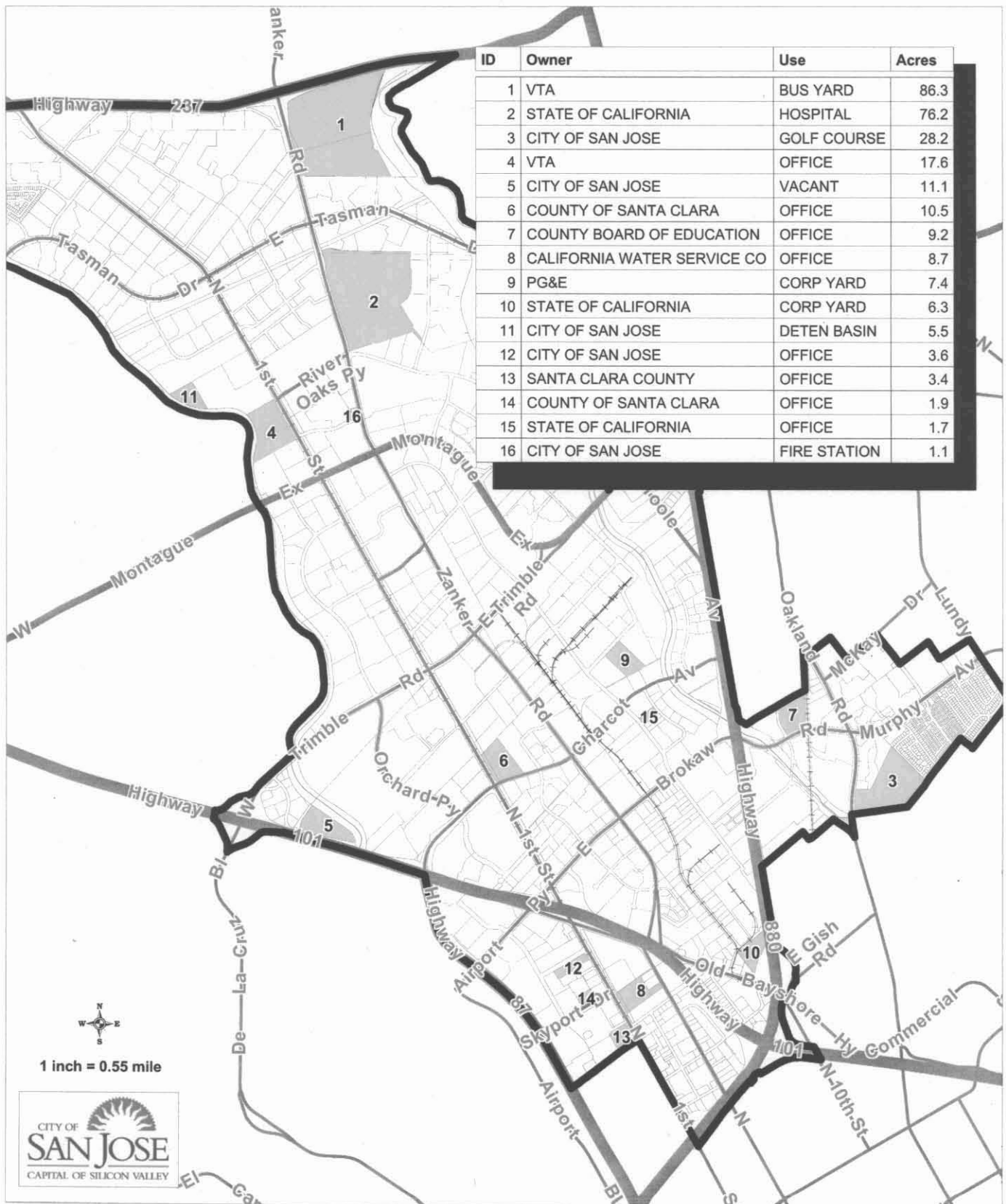
Attachments

For questions please contact KIP HARKNESS, PROJECT MANAGER, at (408) 535-8501.

APPENDIX A – Government Owned Lands in North San Jose and Alviso

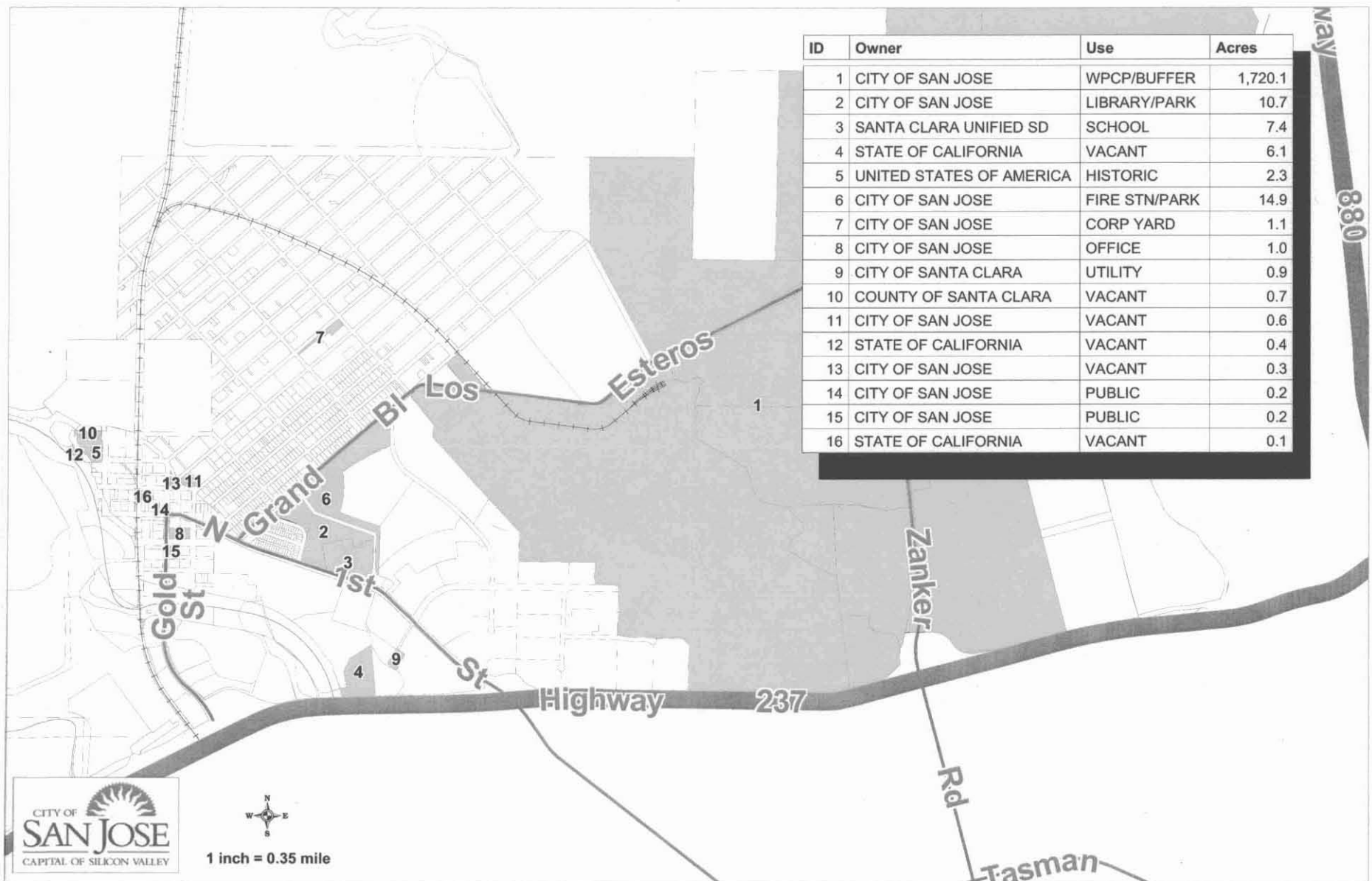
City of San Jose

Government-Owned Lands: North San Jose



City of San Jose

Government-Owned Lands: Alviso



1 inch = 0.35 mile

APPENDIX B – Employment Lands in North San Jose and Alviso

Land Type Summary

| General Plan Designation | Acres |
|-----------------------------------|---------------------|
| Industrial Park* | 1,814 (65%) |
| Industrial Core Area | 588 (21%) |
| Heavy Industrial | 297 (11%) |
| Combined Industrial-Commercial | 50 (2%) |
| Light Industrial | 24 (1%) |
| General Commercial | 21 (1%) |
| Neighborhood/Community Commercial | 15 (1%) |
| TOTAL | 2,809 (100%) |
| Lands Not Planned For Employment | 1,000 (approx) |

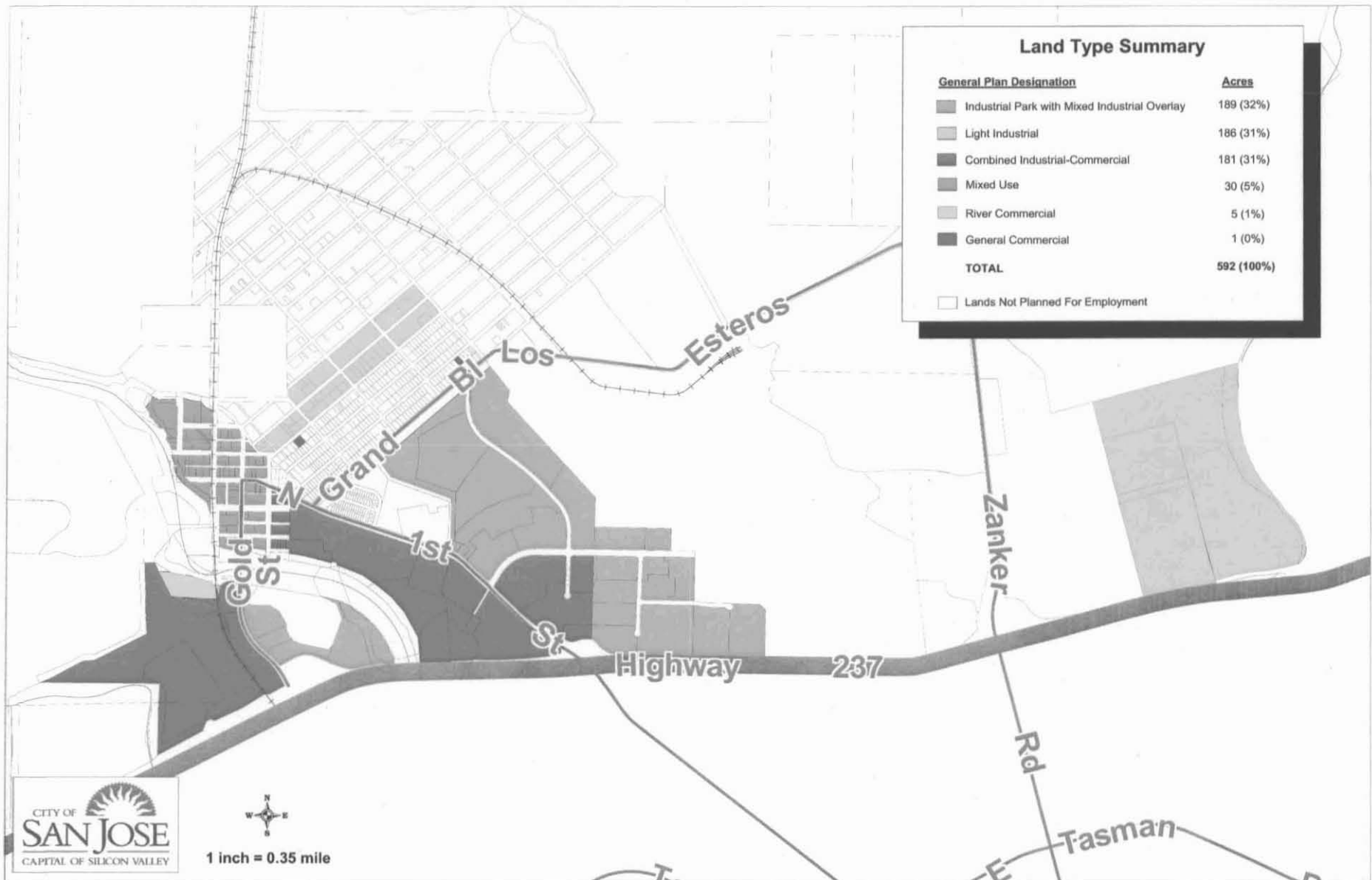
*Note: excludes those lands within the Transit/Employment Residential District Overlay, totaling approximately 150 acres, upon which an application for residential rezoning is pending or approved.

1 inch = 0.55 mile

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

City of San Jose

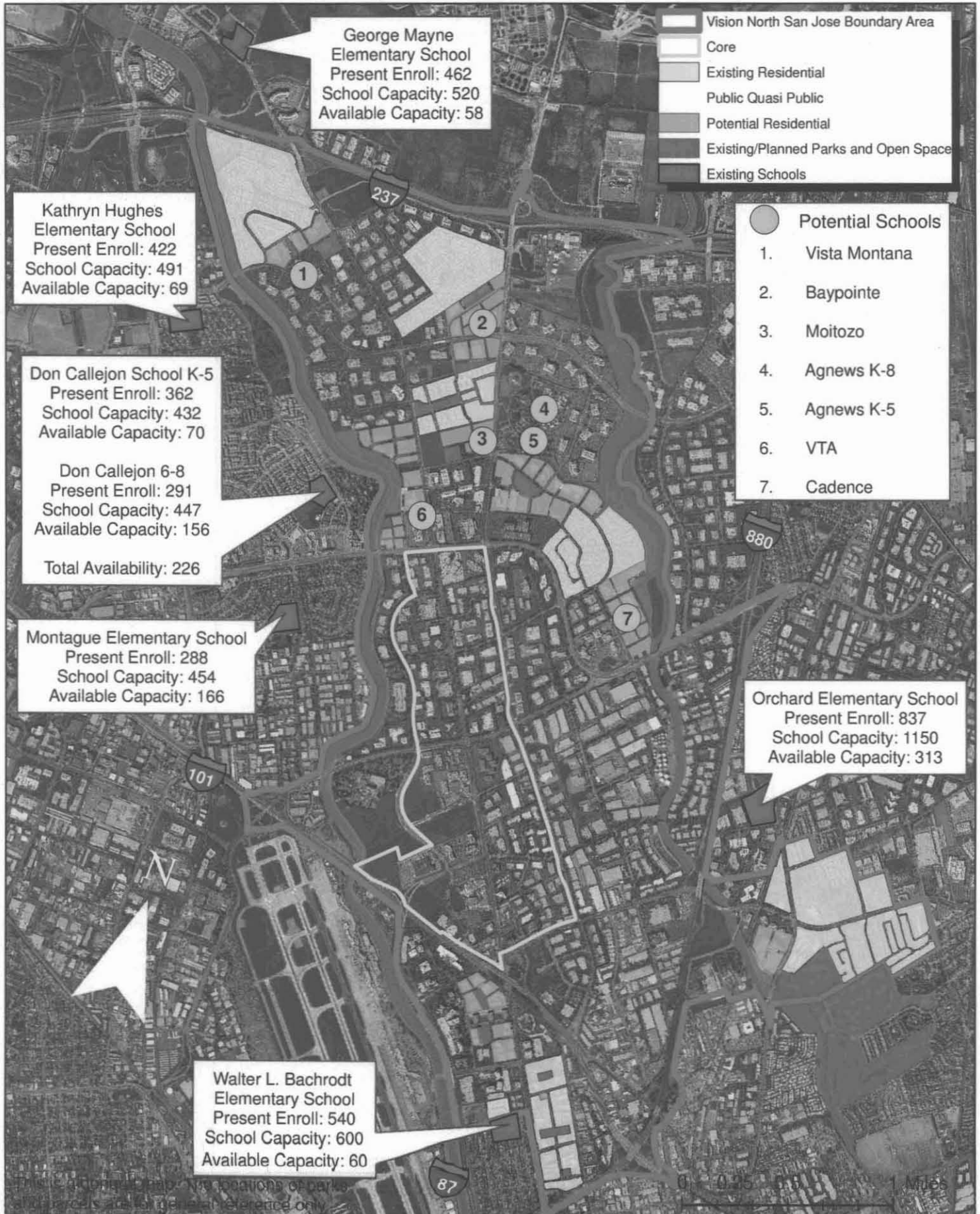
Employment Lands: Alviso



APPENDIX C - Schools

Vision North San Jose

School Analysis



APPENDIX D - Parks

North San Jose Policy Area

Development of Parks and Recreational Facilities under the PDO/PIO

The City Council has requested a review of the development of parks and recreational facilities in the North San Jose Policy Area that can be addressed fully by the implementation of the City Parkland Dedication Ordinance (PDO) and the Park Impact Ordinance (PIO). To answer that question, the City must set a benchmark to review the implementation of 32,000 new housing units proposed for the North San Jose Policy. The common benchmark is the number of developed neighborhood and community parkland acres per 1000 population. The City currently provides approximately 1110 acres of developed neighborhood and community parklands and neighborhood and community elements within the City's regional parks. The City's current population is estimated at 974,000. Therefore the City's benchmark is set a 1.14 acres per 1000 population ($1110/974=1.14$).

The North San Jose Policy Area Plan calls for the development of 26,000 new housing units in the existing residential areas and the six new housing opportunity sites provided under the policy. The remaining 6,000 units are employer provided housing within the Core Area of the North San Jose Policy Area. These units, if ever developed may be considered as single residential occupancy units or SRO units, which are restricted to no more that two persons per residential unit. The City estimates that the 26,000 new housing units will provide a population of 59,540 ($26,000 \times 2.29$ persons per households of multi-family attached units at 55 units/acre). The 6,000 units of employer housing will add another 6,000 new residents to the North San Jose Area. Therefore the Policy Area will provide a new residential population of approximately 65,500. This new population will require 74.67 acres in order to meet the current service level of 1.14 acres of neighborhood and community serving parklands per 1000 population.

The City estimates that new housing development could provide approximately 27.7 acres of new neighborhood turnkey parklands and 5 acres of community turnkey parklands from developer projects as indicated in the chart below. Another 5.5 acres of DOT's land may be available for recreational uses. The City will need to acquire approximately 36.8 acres of additional parklands for community facilities like a community center, an aquatic center, and sport fields.

| <u>Housing Opportunity Areas</u> | <u>Future Dedicated Parklands</u> |
|----------------------------------|---------------------------------------|
| Vista Montana Area | 6.0 acres |
| Baypointe Area | 3.2 acres |
| Montague Area | 9.0 acres |
| River Oaks Area | 10.5 acres |
| Brokaw Area | 2.5 acres |
| Rincon South Area | <u>1.5 acres</u> |
| | 32.7 acres |

Using the following assumptions that five percent of the units will be inclusionary units for low to extremely low income family and therefore exempt from the PDO and PIO. Developers can also satisfy up to 50% percent of their projects parkland obligation by providing private recreational facilities. The City is assuming that normal housing projects will obtain a 20%

credit in association with private recreational facilities. Therefore 75 percent of the proposed housing units, or 24,000 units, will help fund the recreational needs for North San Jose under the PDO/PIO Program. The City estimates that 17,500 units will be directly associated with the acquisition and development of parklands, including sport fields. The remaining 6,500 units could provide approximately \$50 million to underwrite the development of recreational facilities like trails, a community center, gym, and an aquatic center in the North San Jose Policy Area.

The PDO and PIO is a pay as you build new housing program. The first amount of in-lieu fees collected from the North San Jose Policy Area may occur some two years from now, with another year to appropriate the funds within the City Capital Budget Process. City staff is exploring bridge funding to acquire parklands for community facilities.

City's staff and North San Jose Task Force are working on a Parks Master Plan for North San Jose Policy Area.